

Government Purchase Card (GPC) Training Presidio of Monterey

Aug 16, 2006

Introduction

Director of Contracting
Mel Auernig

Agenda

- Administration
- Procedures
- Guidance/Definitions
- Regulations
- Definitions
- Sources of Supply
- Special Requirements
- Affirmative Procurement
- Business Practices
- Prohibited Items
- Pre-purchase approval items
- Purchase Process
- CARE
- Ethics
- Convenience Checks

Key Points

- **\$2,500 limit - don't split**
- **You are the agent for the Government**
- **Liability**
- **Read the GPC Guide**
- **Call Contracting if in doubt**

Administration

Directorate of Contracting Controls/Oversees the Government Purchase Card (GPC) Program

Agency Program Coordinators:

- **Gordon K. Ross**

Agency Program Coordinator (APC)

Level 4 -01069 & 71069

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- **Vivida Torre**

Alt. Agency Program Coordinator (Alternate APC)

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APC

Responsibility:

- Agency Program Coordinator (APC)
 - Monitors and Administers Purchase Card Program
 - Issues Delegation of Authority
 - Conducts training
 - Conducts Inspections
 - Reviews monthly TBR reports from US Bank

Administration

ENFORCEMENT:

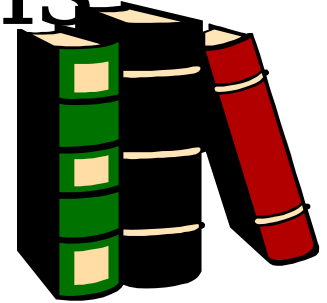
- Directorate of Contracting (DOC) has the overall administration office and direct responsibility for the GPC program.
- DOC officially appoint Cardholders
- DOC serves as the liaison between the Approving/Billing Official, Cardholders, GSA and US Bank on Purchase Card matters.
- **DOC HAS THE AUTHORITY TO REVOKE OR SUSPEND ANY CARDHOLDER'S OR APPROVING/BILLING OFFICIAL'S GPC CARD ACCOUNT ISSUED BY DOC.**



Procedures

- **Request the Purchase Card - See your GPC Guide**
 - STEP 1. Initiate letter-
 - Name, Title, Mailing Address, Phone Number, 30 Day Limit, Fund Cite in Accordance with CARE, Billing Official's Name, send to DOC GPC Agency Program Coordinator.
 - STEP 2.
 - Successfully complete the online Defense Acquisition University (DAU) Government Purchase Card tutorial (CLG 001) using instructions in the GPC Guide.
 - Attend one of the quarterly new cardholder/approving official Army on-site GPC classes held at the Presidio of Monterey. (Proof of training from other Army Installations may be acceptable)
 - STEP 3.
 - Commander/Director will submit the Customer Automation & Reporting Environment (C.A.R.E.) set up form to request for account per the GPC Guide.. Nominee shall retain a copy of submitted paperwork in their GPC file.
 - STEP 4.
 - Sign the Acknowledgement of Delegation of Authority memo upon receipt and return a copy to the GPC A/OPC.

Guidance/Definitions



- **Guidance:**
- FAR, DFARS, AFARS
- Army Regulation AR 715xx
- DoD FMR
- Government Purchase Card User's Guide
- **Definitions:**
- Cardholder
- Billing Official/Approving Official
- Single Purchase Limit
- 30 - Day Spending Limit
- Office Limit
- Billing Cycle Date
- Merchant Type Activity Code
- Billing Address

Regulations

- **Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation (DFAR)**
 - **Part 13 Simplified Acquisitions**
 - Government-wide commercial purchase card
 - (a)** The Government-wide commercial purchase card is authorized for use in making and/or paying for purchases of supplies, services, or construction.

Regulations

- **FAR Part 8** Required Sources of Supply
 - **8.002** Priorities for use of Government supply sources.
- **Army Federal Acquisition Regulation Supplement**
 - **5113.270** Use of the Government-wide commercial purchase card

Regulations

- Directorate of Contracting
 - Government Purchase Card Users Guide
 - DOC-CG001
 - SOP Government Purchase Card Checks
 - DOC SOP-003
 - Card Holder responsible to request

Definitions

- Billing Address – The official organizational office mailing address where the purchase card statement of account is mailed to the billing/approving official and cardholder. This is the address to which vendors will send all sales/receipts/invoices.
- Billing/Approving Official – The person designated to receive and review the monthly billing statement, verify cardholder purchases and certify payment for the purchase card. The Billing/Approving official will have input into the cardholder's performance appraisal. The billing official will be appointed the certifying officer for the purchase card only. As a certifying officer the billing/approving official will certify the billing statement for payment.
- Billing Cycle Date. The billing cycle date is the 20th of the previous month to the 19th of the current month. If the 19th should fall on a weekend then the close of the cycle will fall back to the Friday prior to the 19th.

Definitions

- Cardholder – Government employee or military personnel who have been designated as having authority to use the purchase card. The purchase card bears that individual's name and may be only used by that person to pay for purchases made in conformance with regulatory guidance and procedures.
- Single Purchase Limit – The maximum spending limit a cardholder can spend on a requirement. (\$2500 Micro purchase Authority)
- 30 – Day Spending Limit – The maximum dollar amount that a cardholder can purchase within a monthly cycle.



Definitions

- Monthly Office Limit – An amount that limits the accumulated maximum dollar (30 day spending limit) amount that can be purchased by the cardholder(s) within a specific billing level (billing/approving official) within a monthly cycle.
- Merchant Activity Type – Vendors/merchants are assigned a Merchant Category Classification (MCC) or Standard Industrial Classification (SIC) code by their processing bank according to their industry type. US Bank has grouped the codes into categories, which are called Merchant Activity Type (MAT) codes.

Sources of Supply

REQUIRED SOURCE OF SUPPLY

- Federal Acquisition Regulation(FAR) Part 8
 - Subpart 8.6 Acquisition from Federal Prison Industries, Inc
 - **UNICOR Federal Prison Industry**
 - If the cardholder does market research and determines that the price from FPI is not fair and reasonable then the item can be purchased from an alternate source. The cardholder's file must reflect this in writing with documentation that the price is not fair and reasonable.
 - Subpart 8.7- Acquisition from Nonprofit **Agencies Employing People Who Are Blind or Severely Disabled**
 - **JWOD NIB/NISH**

Sources of Supply

REQUIRED SOURCE OF SUPPLY:

GOVERNMENT PRINTING FAR 8.8

- **(a) Government printing must be done by or through the Government Printing Office (GPO) (44 U.S.C. 501)**

Sources of Supply

GOVERNMENT PRINTING:

- **unless-**

- (1) The GPO cannot provide the printing service (44 U.S.C. 504);
- (2) The printing is done in field printing plants operated by an executive agency (44 U.S.C. 501(2));
- (3) The printing is acquired by an executive agency from allotments for contract field printing (44 U.S.C. 501(2)); or
- (4) The printing is specifically authorized by statute to be done other than by the GPO.

Sources of Supply

DoD E-mail:

- <http://www.EMALL.DLA.MIL>
- Online E-mail Presentation
- Features Include:
 - IT Products
 - Mandatory BPA
 - Training Services

Sources of Supply

- **MANDATORY Blanket Purchase Agreements (BPA) for office supplies and products**

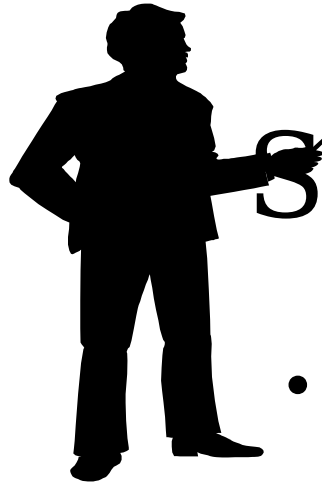
(Reference DA Memo Sep 13, 2004)

- Access to the BPA can be through the DoD Email.
- Presently, 19 vendors are participating in the BPA.

Sources of Supply

GSA Schedules:

- GSA Schedules Offer
 - Cost Savings through Discounts
 - Online Purchases (GSA Advantage)



Special Requirements

- **Hazardous Materials** - Consult **After** the purchase
- **ADP/FIP** - Consult **DOIM** **Prior** to the Purchase
- **Property Book** - Consult **Property Book Officer (PCO)** **Prior** to the Purchase
AR 735, Section III - Accountable Officer 2-10(b) (PBO can not be cardholders or a billing official)

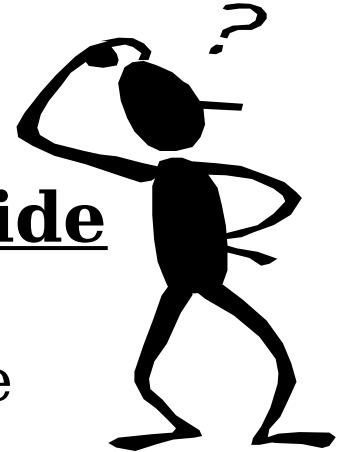
Affirmative Procurement

- **Definition** – The policy and practice of purchasing goods made with recycled materials (30% Post-consumer Content)
 - Recycled Paper
- **IT'S THE LAW**
 - Executive Order 13101

Business Practices

- Micro purchases are not mandated for Small Business Set-Asides, however **cardholders are encouraged to give Small Businesses opportunities to meet their requirements.**
- Rotate Sources of Purchases
- Annual service requirements that exceed \$2,500 year shall be submitted to DOC for procurement/award a contract for these services.

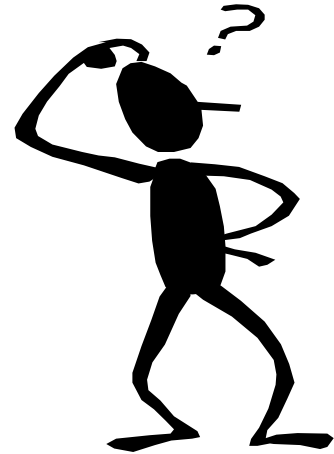
Prohibited Items



- **See AR 715-xx and GPC Users Guide**
 - **Cash Advances**
 - **Lease** of land, building, or motor vehicle
 - **Airline, bus, train or other travel tickets**
 - **Meals, drinks, lodging or other travel and subsistence**
 - **Repair, gasoline or oil for GSA Vehicles**
 - **Printing, copying and visual art services** unless locally approved
 - **Telephone Calls**
 - **Purchases of consultant or personal services**

Pre Purchase Approval Items

- Water
- Advertising
- Hazardous Materials
- Member ships
- Business Cards
- Memberships
- Food and Refreshment
- Trophies, gifts, awards, plaques, and mementoes as give away
- And More.....
 - See AR 715-xx and GPC Users Guide



Purchase Process



- **Telephone Orders**
 - Verification of Funds
 - Property or ADIP approvals
 - Verify the merchant excepts VISA
 - Inform vendor this is a official government purchase exempt from taxes
 - Obtain pricing and delivery
 - Verify all items immediately available for shipment (No Backorders)
 - Determine price to be fair and reasonable
 - Backup/supporting documentation for purchase
 - Give merchant the following information:
 - Name as it appears on card
 - Credit Card
 - Expiration Date
 - Billing Address
 - Ship to Address
 - Log the charge in the Transaction Log section of CARE
- **See GPC Purchase Gide for more details.**

Purchasing Process



- **Over the Counter Purchases:**
 - Backup/supporting documentation for purchase
 - Verification of Funds
 - Property or ADIP approvals
 - Verify the merchant accepts VISA
 - Inform vendor this is a official government purchase exempt from taxes
 - Obtain pricing and delivery
 - Verify all items immediately available (No Backorders)
 - Obtain a receipt
 - Log the charge in the Transaction Log section of CARE

CARE

REGULATORY GUIDANCE:

- **Customer Automated Reporting Environment (C.A.R.E.) is mandatory**

in accordance with AFARS Subpart 5113.2, paragraph 6

- (6) **Cardholders shall:**
- (i) **Reconcile purchases** actually made within 3 working days of receipt of their monthly statement of account. Electronic statement of account is considered received on the first day following the end of the billing cycle.
- (ii) **Maintain a log of purchases**. The log shall be the cardholder log within C.A.R.E. when the cardholder has been given access to C.A.R.E.

CARE

TRAINING AND PASSWORDS:

- **Web base training:**
 - <https://wbt.care.usbank.com>
 - User Id: usbank
 - Password: (Contact AOPC for Password)
- Access for CARE online for Statement Reconciliation and the Transaction LOG:
 - Billing Officials will obtain a CARE ID and Password from the AOPC
 - Cardholders shall use the online CARE registration to obtain a CARE ID and Password.

CARE

Responsibility:

- **Billing/Approving Official**

- Ensures Cardholders perform contracting functions in accordance with Army Regulation AR 715xx
- Verification and Certification of Funds
- Ensures that Supplies and Services are in direct support of the mission
- Ensures Cardholder personally conducts all transactions
- Ensures Purchases are within the monetary limits

- **See AR 715xx and DOC GPC User's Guide for more info**

CARE

Responsibility:

- **Cardholder**

- **Ensures Purchases do not exceed \$2,500**
- **Do not split purchase to keep under \$2,500**
- Performs contracting functions in accordance with Army Regulation AR 715xx.
- Ensures Complete and Accurate audit trail of purchases actions are being maintained.
- Cardholder can be held pecuniarily liable for any unauthorized purchases or misuse of the purchase card.

- **See AR 715xx and DOC GPC User's Guide for more info**

CARE

- **Reconciliation**
 - **Cardholders** reconcile the Transaction Log with the Posted Transaction
 - Army standard requires **cardholders** to **complete their review and approval of their statements** within **three (3) business days** of the end of the billing cycle.
 - **Billing Officials** will **certify their statements** within **five (5) days** of the end of the billing cycle.

CARE

Reconciliation:

- **Cardholder**

- Logs Purchases into the Transaction Log in CARE upon completion of purchase or order
- Reconciles Charge with the Log Transaction once it is posted to statement
- Reallocation of Charges (Please Check with your RM if they are having you reallocate funds)
- Final approval of statement can not occur until the closing of the cycle
- Cardholders have 3 business days after the closing of the cycle to approve their statement

- **Approving/Billing Official**

- Review all cardholders' statements in CARE
- Upon review, if the approving/billing official notices the cardholder incorrectly reallocated charges, they must reject the charge for the cardholder to correct
- Once all statements by cardholders have been approved the approving official certifies the online invoice for payment within 5 business days after close of the cycle
- Customer Service is available for questions and password resets at 1-888-994-6722.

CARE

Access Errors:

- What should an individual do if they are given an **error message** such as:
 - User status is consider inactive-contact administrator?
 - This generally means that the ***password needs to be reset and the individual needs to call customer service at 888-994-6722.***

CARE

Disputes:

- **What Happens if a charge goes wrong?**

- 1. Attempt to resolve with vendor
- 2. Fails - File a Cardholder Statement of Questioned Item with US Bank
- 3. All disputes must be declared in 60 Days

- **Reasons for Disputes:**

- Unauthorized Mail/Phone Orders
- Duplicate Posting
- Merchandise/Services not received
- Merchandise Returned
- Credit not received
- Alteration of Amount
- Inadequate Description
- Unrecognized Charge
- Copy Request

- **Items that can not be disputed**

- *Tax
- *Shipping Charges

CARE

Delinquencies:

- Billing Officials are required to process the statement within 5 business days. This is an Army Standard. (See Army Regulation AR 715xx)
- **Notices** will be issued to delinquent billing officials whose accounts become delinquent at **30 days**.
- Accounts that become **60 days delinquent** are subject to **suspension** and will be reported to the Billing Official(s) organization commander.

CARE

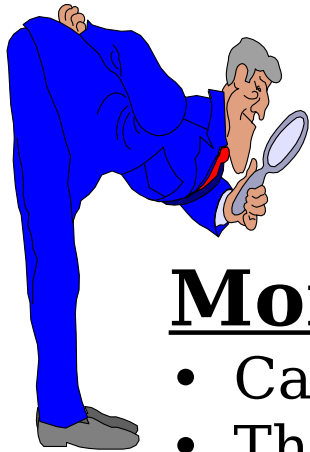
Communications:

- When to call U.S. Bank 1-888-994-6722
 - Card is Lost or Stolen
 - Card Authorization is Declined
 - CARE Password needs to be Reset
- What information do you need when you call the bank?
 - Account No.
 - Billing Address (as it appears on your statement)
 - 30 Day Spending Limit
 - Name of Primary AOPC

CARE

Records Management:

- Cardholder records shall be maintained for each transaction in a separate transaction file grouped monthly and contain:
 - Invoices, Receipts, Quotes and Other Supporting Documentation
- Billing Official records shall contain:
 - Records of closed cardholder accounts
- Record Retention:
 - Purchase Card Records are to be kept Six years and Three Months



CARE

Monitoring Security:

- Card is to be kept secure at all times
- The card is not to be used by any individual other than the person name whose imprinted on the Credit Card
- Not transferable for use by any other individual
- Review of TBR Reports and/or generate reports from CARE
- A/OPC shall conduct routine inspections/audits
- Accounts are also subject to review by Logistics review teams, Internal Review, IG and CID
- Inspection Checklist

CARE



Separation:

- Military card must be surrendered 30 days prior to PCS
- Civilian card must be surrendered upon notification of departure

CARE

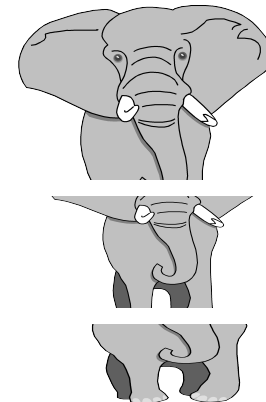
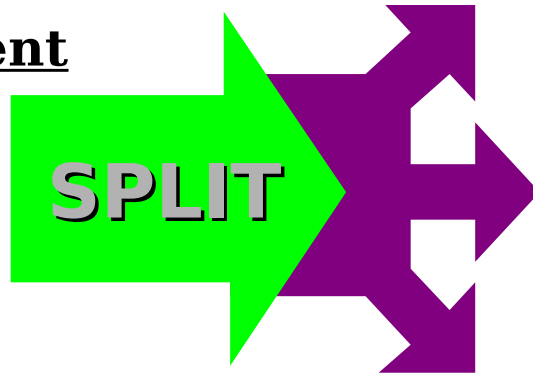
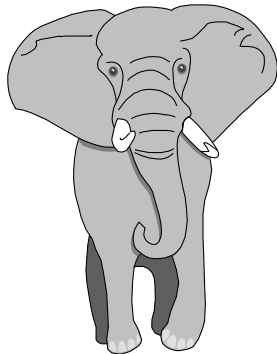
Abuse or Fraud:

- **Intentional** use of the Purchase Card for other than official Government business may be considered an attempt to commit fraud against the U.S. Government.
 - Immediate Cancellation
 - Pecuniary Liability
 - Negative Administrative and/or Disciplinary Action

CARE

Fraud - Split Purchase:

- **Fraud** - A deliberate deception so as to secure unfair or unlawful gain.
- **Split Purchase** - DA , Memo dated 30 Oct 97, "An improper "split" in the purchase card program generally involves the willful reduction of a requirement which could be purchased from the same merchant or vendor in an effort to keep the total price of the purchase at or below the cardholder's single purchase threshold." The attempt of a split by a cardholder is to maintain **CONTROL** of the buy.
- **Requirement**



Ethics

- All government purchase card participants are required to take **annual ethics training**.
- Daily Business with Merchants:
 - Cardholders and Billing Officials must use sound judgment in all contacts with merchants. Tax payer dollars are at use for the benefit of the government.
 - Two Factors of Ethics:
 - employees shall not use public office for private gain, and
 - employees shall act impartially and not give preferential treatment to any private organization or individual.

Convenience Checks

- Must be requested IAW the DOC SOP-003.
 - Only DOC can issue
- Convenience Checks are designed for unique purchases that can not be obtained with the purchase card.
Cardholders must do market research to:
 - Determine that all sources have been exhausted.
 - There is no one vendor available in the market providing that product or service that accepts credit cards.

QUESTIONS